

The Business of Renting Environmental Vehicles

EV RENTAL CARS, LLC
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A Nationwide Niche Market

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Overview



- I. Relationship with Budget Rent a Car
- II. Customized approach for environmental vehicles
- III. Growth to date
- IV. Industry benefits
- V. Key factors to market success
- VI. Looking ahead

Relationship with Budget Rent a Car



Vehicles

- Honda Civic GX
- Honda Insight
- Ford Crown Victoria NGV
- Toyota Prius
- Nissan Sentra CA
- Honda EV Plus
- Toyota RAV4 EV
- Nissan Altra
- GM EV1

Primary Budget Rent a Car Locations

- Los Angeles
- Ontario
- Burbank
- Palm Springs
- San Diego
- San Francisco
- Sacramento
- Phoenix, AZ
- Pittsburgh, PA

250 vehicles
10 U.S. locations

Budget EV Rental Cars

- **Over 2 million miles accumulated on the fleet of EVs**
- **More than 10 tons of air pollution prevented**
- **More than 60,000 gallons of gasoline left unused**

Customized Approach

10%

Reservation

- Media
- AFV Industry
 - Retailers
 - Events
- Major Accounts
 - Government
 - Utilities
 - Environmental organizations and companies

85%

Rental Counter

- Screen for feasibility
- Sales pitch

5%

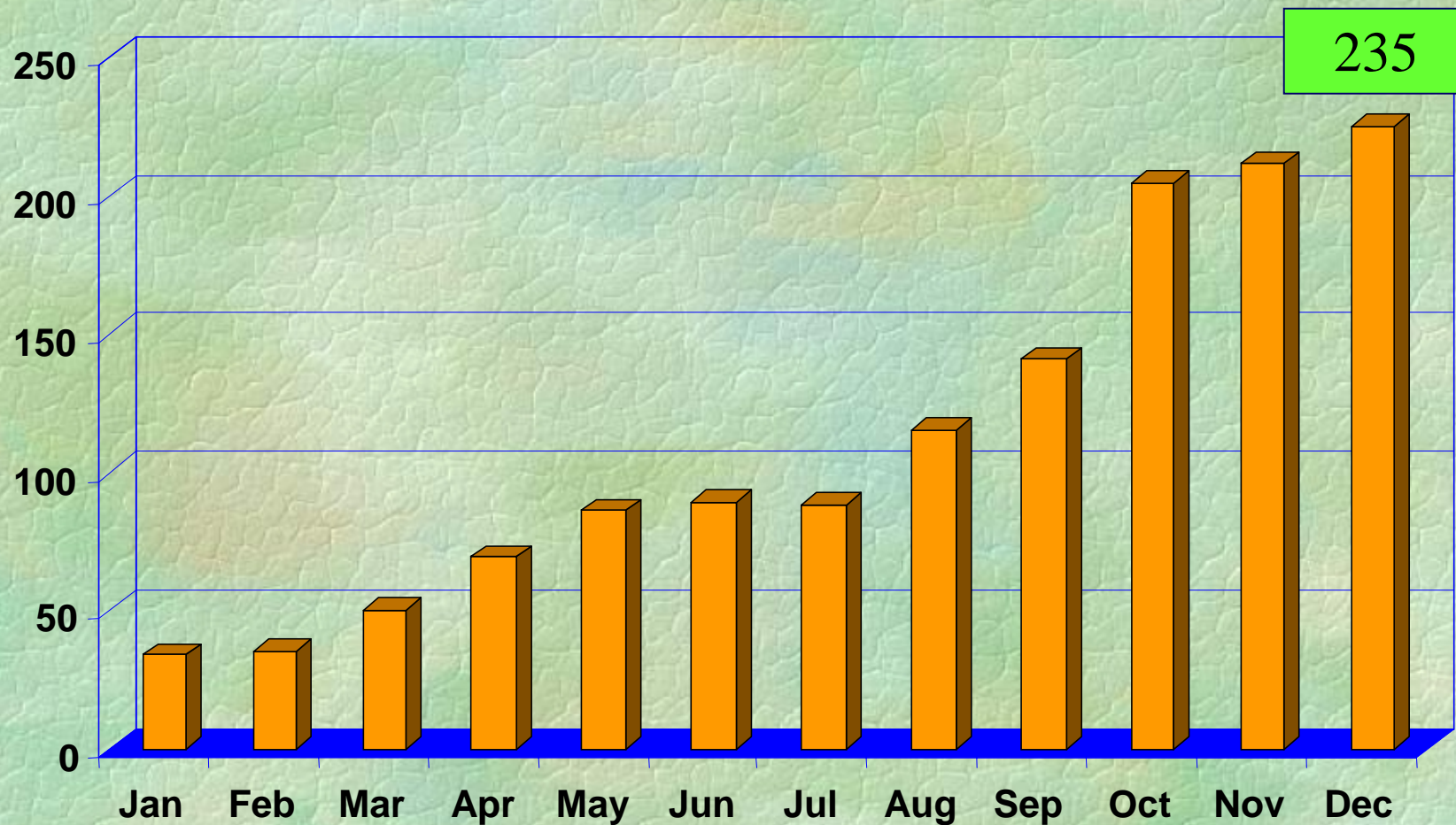
Walk-Up

- Ads in buses & in the airport
- Display cars
- Electric shuttle bus
- Brochures

EV Specialist

- 5 minute orientation
 - refueling / recharging
 - trip planning
 - specific features
- Signatures

Fleet Growth 2000



662% Annualized Growth Rate

Transactions Growth 2000



758% Annualized Growth Rate

www.EVRental.com

877-EV-RENTAL

Industry Benefits



1 Month

October, 2000

1 Company

Budget Rent a Car

1 Location

Los Angeles Airport

20,000 Customers

- Chose a gasoline-powered vehicle
- Majority were pitched an AFV
- Total represents unique transactions, not passengers

750 EV Drivers

- Met with a specialist for an orientation to the vehicle
- Drove an AFV in daily driving conditions without supervision
- Carried out a task in the AFV

EV Rental Cars meets TWO key marketing criteria:

1. Sales Pitch

2. Extended Demonstration

Key Factors to Market Success



1. Incremental Cost Incentives

- ♦ Car rental market is highly price competitive
- ♦ Rental AFVs cannot be priced higher than conventional vehicles
- ♦ Coalition sponsorship of 6 Honda Civic GX
- ♦ DEP sponsorship of hybrids (pending)

2. Fueling Infrastructure

- ♦ Access to on-airport fueling is vital
- ♦ Fuel stations in the area must be public-friendly

3. Airport Concession Fee Discounts

- ♦ Offset start-up and additional labor costs
- ♦ Some western airports have provided discounts or waivers

4. Rental Customers

- ♦ Establish rental accounts to build transactions volume

Industry Benefits



EV Rental Cars is building the Resale Market for AFVs

- Establishing residual value for a new technology vehicle is a major hurdle for automakers introducing new models.
- EV Rental Cars will sell its cars one to two years after purchase.
 - Typical rental companies turn their fleet every six to nine months
 - Even if EV Rental Cars keeps a vehicle two years, the original purchase price can only be amortized to 50%.

RESIDUAL VALUE = RISK

- EV Rental Cars reduces risk for automakers.
 - Residual value is established early by a partner with a vested interest.
 - Reduces prices for all purchasers
 - Financing for AFVs becomes much simpler

Looking Ahead



1. Build the reservation base

- Convert from 10% to 80%
- Rely on industry partners

2. Expand to additional airports

- Boston, Denver, Dallas, Washington, DC

3. Integrate additional HEVs

- 100 Toyota Prius this summer
- Honda Civic beginning fall

4. Introduce new technology vehicles to the public

5. Continue Resale efforts

- Prove comparable amortization rates for high technology environmental vehicles



One of 50 Honda Civic GX's at Los Angeles International Airport

Reservations / Sales / Contacts



Call toll free for reservations:
1-877-EV-RENTAL
or
www.evrental.com

For a full list of
Used AFVs for sale, visit:
www.evrental.com
and click “resale”
or call **Tami Larsen**
310-642-4581

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